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HOUSE BILL 3355 By
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SENATE BILL 3351
By Atchley

AN ACT to authorize the State of Tennessee, acting by resolution of its funding board, to issue and sell its interest-bearing bonds and bond anticipation notes in amounts not to exceed \$12,000,000 for the purpose of providing funds to the Department of Environment and Conservation; to provide for the acquisition of real estate, site work, facility development and other development costs, including initial equipment for certain golf courses and to provide for the expenditure of these funds. This act makes appropriations for an indefinite period of time for the purpose of allocating the proceeds of the bonds and notes authorized by this act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The State of Tennessee, acting by resolutions of its funding board, is hereby authorized and empowered to issue and sell direct general obligation interest-bearing bonds of the State of Tennessee in amounts not to exceed \$12,000,000 to effectuate the projects authorized in Section 4 of this act. Such bonds may be issued and sold as determined by the funding board, after advertisement as provided by law, including Title 9, Chapter 8, Tennessee Code Annotated.

SECTION 2. The funding board shall determine the terms and provisions for the bonds, including form, maturity (not to exceed twenty (20) years), execution, payment, denomination, and interest (subject to the legal rate as provided in Section 47-14-103 of the Tennessee Code Annotated). The bonds shall be sold at competitive sale at not less than ninety-eight percent (98%) of the par value thereof; unless specifically sold as college savings bonds under the

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Baccalaureate Education Savings for Tennessee Act of 1989, which bonds may be sold through negotiation.

SECTION 3. The bonds (and bond anticipation notes) and interest payable thereon shall be exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the state except inheritance, transfer and estate taxes. The bonds sold under the authority of this act shall be direct general obligations of the State of Tennessee for the payment of which the full faith and credit of the state together with its taxing power shall irrevocably be pledged.

SECTION 4. The proceeds of bonds (and bond anticipation notes) issued under the authority of this act shall be allocated to the Department of Environment and Conservation to be allocated and expended for the purpose of acquiring real estate, preparing, developing, constructing and equipping up to two (2) new golf courses on state properties. The department, in consultation with the state building commission, shall solicit proposals from parties interested in constructing or operating the golf courses. Such proposals shall include sufficient information to allow department to assess the feasibility of such projects. The department, in consultation with the state building commission, shall review the proposals to determine whether it is reasonable to expect the new golf courses under consideration to generate revenues sufficient to cover costs of operation and maintenance, including anticipated debt service on bonds authorized herein.

SECTION 5. The department and other appropriate authorities shall have authority to proceed with the projects authorized herein. No contract, including a contract for architectural or planning services, shall be entered into unless and until the building commission has given its approval and, prior to approval for full planning, the building commission shall have found that it is reasonable to expect the golf course projects under consideration to generate revenues sufficient to cover the costs of operation and maintenance, including anticipated debt service on the bonds authorized hereby. Such finding shall not constitute a guaranty or warranty of such

future revenues. It is the legislative intent that the golf courses authorized herein in Section 4 be constructed only when it is reasonable to expect there will be sufficient revenues to cover debt service expenses.

SECTION 6. The funding board is authorized to assess a pro rata part of the expense of advertising the bonds for sale and other costs of issuance against the projects authorized hereby, and withhold such amounts from the proceeds of bonds so issued.

SECTION 7. Prior to the issuance of bonds, the State of Tennessee, acting by resolution of the funding board, is authorized to issue bond anticipation notes, to be sold at public or private sale, at not less than ninety-eight percent (98%) of par. The funding board shall determine the terms and provisions for the bond anticipation notes, including form, maturity (not to exceed five (5) years), execution, payment, denomination, and interest (subject to the legal rate as provided in Section 47-14-103 of the Tennessee Code Annotated). Any resolution authorizing the issuance of such bond anticipation notes shall provide that the notes are issued in anticipation of the bonds authorized herein and shall further provide that the full faith and credit of the State of Tennessee are pledged to the payment thereof.

SECTION 8. No bonds shall be issued under the authority of this act until such time as the General Assembly has appropriated sufficient funds to pay the first year's obligation of principal and interest on the amount of bonds to be issued and the state funding board has determined that such funds are available.

SECTION 9. If any provision of this act or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provision or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 10. Implementation of the provisions of this act shall be subject to the funding being provided in the General Appropriations Act.

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.